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UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF NEVADA

In re:
 TURNBERRY/MGM GRAND TOWERS, LLC,
☒ Affects this Debtor.

Case No.: 15-13706-abl
 Chapter 11

**JOINTLY ADMINISTERED UNDER
 CASE NO.: 15-13706-abl**

In re :
 TURNBERRY/MGM GRAND TOWER B, LLC,
☒ Affects this Debtor.

Case No.: 15-13708-abl
 Chapter 11

In re :
 TURNBERRY/MGM GRAND TOWER C, LLC
☒ Affects this Debtor.

Case No.: 15-13709-abl
 Chapter 11

Date: August 31, 2015
 Time: 9:30 a.m.

**DECLARATION OF DR. KENNETH W. WILES IN SUPPORT APPLICATION FOR
 ORDER APPROVING THE EMPLOYMENT OF MORRIS LAW GROUP AS SPECIAL
 LITIGATION COUNSEL FOR THE DEBTORS *NUNC PRO TUNC* TO THE PETITION
DATE PURSUANT TO 11 U.S.C. §§ 327(c) AND 328(a)**

I, Dr. Kenneth W. Wiles, declare as follows:

1. I, through my wholly owned entity Andare Corp ("Andare"), am the manager of
 Turnberry/MGM Grand Towers, LLC (the "Tower A Debtor"), a Nevada limited liability

1 company, Turnberry/MGM Grand Tower B, LLC (the “Tower B Debtor”), a Nevada limited
 2 liability company; and Turnberry/MGM Grand Tower C, LLC (the “Tower C Debtor”), and
 3 together with the Tower A Debtor and the Tower B Debtor, the “Debtors”), a Nevada limited
 4 liability company, debtors-in-possession.

5 2. Except as otherwise indicated, all facts set forth in this Declaration are based upon
 6 my personal knowledge of the Debtors’ operations and finances, information learned from my
 7 review of relevant documents, and information supplied to me by other members of the Debtors’
 8 management and the Debtors’ various business and legal advisors. If called upon to testify as to
 9 the content of this Declaration, I could and would do so.

10 3. I make this declaration in support of the *Application for Order Approving the*
 11 *Employment of Morris Law Group as Special Litigation Counsel for the Debtors Nunc Pro Tunc*
 12 *to the Petition Date Pursuant to 11 U.S.C. §§ 327(e) and 328(a)* (the “Application”)¹, filed
 13 concurrently herewith in the jointly-administered Chapter 11 cases.

14 4. The Debtors are developers of high-rise condominium towers commonly referred
 15 to as The Signature Towers. The Signature Towers consist of three towers referred to as “Tower
 16 A,” “Tower B,” and “Tower C,” each containing 576 units, for a total of 1,728 units.

17 5. The Signature Towers’ condominium units were sold to individual owners who at
 18 all times could and can use their units in any manner they chose, including, but not limited to,
 19 renting out their units or residing in their units full time.

20 6. The Debtors are each Nevada limited liability companies, created to develop the
 21 three Signature Towers. Each Debtor has two members: (1) a member that is affiliated with a
 22 Turnberry group of entities (“Turnberry”), and (2) a member affiliated with MGM Resorts
 23 International (“MGM”). Each member has a 50% economic interest in the particular Debtor.
 24 Specifically, Turnberry/Harmon Ave. LLC and MGM Grand Condominiums, LLC are the
 25 members of the Tower A Debtor; Turnberry/Harmon Ave. B LLC and MGM Grand
 26 Condominiums II, LLC are the members of the Tower B Debtor; and Turnberry/Harmon Ave. C

27
 28 ¹ All capitalized, but undefined terms used herein shall be defined in the Application.

1 LLC and MGM Grand Condominiums III, LLC are the members of the Tower C Debtor. Each
2 Debtor was formerly managed by the Turnberry-affiliated member.

3 7. Prior to and since the Petition Date, Andare,² which I solely own,³ is and has been
4 the independent manager for each of the Debtors. Andare has broad managerial powers and
5 independent control over the Debtors. In fact, neither of Debtors' members has authority to
6 replace Andare as Debtors' manager except upon (i) my death, incapacity, or resignation from
7 Andare; (ii) Andare's resignation as Debtors' manager; or (iii) for cause based on the gross
8 negligence, willful misconduct, or breach of any obligation of Andare under its Engagement
9 Letter as determined by a final, non-appealable order of a court of competent jurisdiction.

10 8. At the time of the initial sale of units within The Signature Towers
11 (approximately 2004-2006), the Las Vegas real estate market was extremely active, with
12 significant increases in real estate prices being realized on an annual (and in many cases,
13 monthly or quarterly) basis.

14 9. Shortly after the completion of the third Signature Tower, the "Great Recession"
15 struck, pummeling Las Vegas' economy and devastating its real estate market. The Debtors
16 were among its many victims.

17 10. With prices of Las Vegas real estate, including condominium units and hotel
18 occupancy rates plummeting in the drastic economic downturn, a number of individuals and
19 entities who had purchased units in The Signature Towers filed suit seeking to rescind their real
20 estate contracts, alleging the condominium units were sold to them as "securities."

21 11. Since then, litigation has been pursued in Nevada's Eighth Judicial District Court,
22 the Nevada Federal District Court, the Nevada Supreme Court, this Court, the Ninth Circuit
23 Court of Appeals, and the United States Supreme Court.

24 12. As of the Petition Date, MLG represented the Debtors in four of these proceeding:
25

26 ² Andare is a corporate financial advisory, valuation, restructuring, expert witness and consulting firm. The firm
27 engages with senior management teams and Boards of Directors to drive operational improvements and apply new
working methods to underperforming or distressed companies.

28 ³ My extensive experience and independence is discussed in detail in my declaration filed at ECF No. 23.

(i) *KJH Investor Group, LLC, et al. v. Turnberry/MGM Grand Towers, et al.*, Case No. A547024, filed in 2007 in the Eight Judicial District Court of Clark County, Nevada (the “State Court Action”);

(ii) *Sussex, et al. v. Turnberry/MGM Grand Towers, et al.*, Case No. 2:08-cv-00773-MMD-PAL, filed in 2008 in the United States Bankruptcy Court for the District of Nevada (the “District Court Action”);

(iii) *KJH et al. v. Turnberry/MGM Grand Towers, LLC, et al.*, AAA Case No. 11 20-900-1963 (the “KJH Arbitration”), filed with the American Arbitration Association (“AAA”); and

(iv) *Sussex, et al. v. Turnberry/MGM Grand Towers, LLC, et al.*, AAA Case No. 11 20-1200-0264 (the “Sussex Arbitration,” and together with the KJH Arbitration, the “Arbitrations”), filed with the AAA.

13. The Debtors intend to file a *Motion to Refer All Claims and Causes of Action to the Bankruptcy Court* in the District Court Action seeking entry of an order referring the District Court Action to this Court.

14. There are 550 plaintiffs collectively between the State Court Action and the District Court Action. Additionally, the Debtors have identified over 3,800 potential creditors that may assert claims against the Debtors.

15. As MLG has represented the Debtors in the State Court Action and the District Court Action since 2007 and 2008, respectively, and in the Arbitrations, MLG has gained significant knowledge regarding the Debtors background, history, and operations, as well as the gamut of claims that may be asserted against the Debtors through the proof of claim process. MLG is therefore uniquely positioned to serve as special litigation counsel to, among other things, assist the Debtors in determining the appropriate litigation protocols to implement in order to streamline the adjudication of the anticipated numerous claim objections and to litigate the claim objections and related litigation with such claimants (the “Bankruptcy Litigation”).

16. For the avoidance of doubt, the term “Bankruptcy Litigation” does not include any claims that may be asserted by or on behalf of the Debtors or their estates against any third-

1 parties, including any claims that may be asserted by or on behalf of the Debtors or their estates
2 against any of the Debtors' members or their affiliates (the "Excluded Representation"). MLG
3 shall be excluded from the Excluded Representation as a result of its former representation of
4 certain of the Debtors' members and their affiliates, which is more fully discussed in the Morris
5 Decl.

6 17. By this Application, pursuant to Sections 327(e) and 328(a) of the Bankruptcy
7 Code and Bankruptcy Rule 2014, the Debtors seek authority to employ and retain MLG, *nunc*
8 *pro tunc* to the Petition Date, as special litigation counsel to represent the Debtors with respect to
9 the Bankruptcy Litigation. Such employment will be pursuant to the terms and conditions set
10 forth in the *Retainer Agreements* attached to the Morris Declaration as **Exhibit "1,"** with
11 compensation being paid pursuant to Sections 330 and 331 of the Bankruptcy Code.

12 18. The Debtors also request that any interim compensation procedures included in
13 the Interim Compensation Motion also be extended to MLG.

14 19. The Debtors have selected MLG as their special litigation counsel to represent the
15 Debtors with respect to the Bankruptcy Litigation because of MLG's attorneys' knowledge and
16 history as the Debtors' counsel in the State Court Action since 2007 and the District Court
17 Action since 2008, its role as Debtors' counsel in the Arbitrations, as well as MLG's experience
18 in all areas of commercial contract and tort litigation, including high-rise condominium disputes
19 involving state and federal securities law and fraud claims, real estate and securities-based
20 financing and class and derivative actions involving the issuance, sale, and value of securities
21 under Nevada and federal law.

22 20. During the course of this representation of Debtors, MLG's attorneys have
23 become familiar with the facts and issues that will likely form the basis for the claims asserted in
24 the proofs of claim resulting in the Bankruptcy Litigation. Accordingly, MLG has developed the
25 necessary background and has the necessary skill and experience to serve as special litigation
26 counsel to the Debtors with respect to the claims asserted against the Debtors in the Bankruptcy
27 Litigation.

28

21. MLG is both well-qualified and able to represent the Debtors as special litigation counsel in the Bankruptcy Litigation in a most efficient and timely manner.

22. Subject to further order of this Court, it is proposed that MLG be employed to render the following professional services to the Debtors:

a. consult with the Debtors and their restructuring counsel to formulate and implement litigation and claim objection strategies to streamline the claim objection and litigation process with respect to the Bankruptcy Litigation;

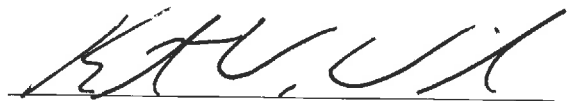
b. prosecute, in conjunction with the Debtors' bankruptcy counsel, the Bankruptcy Litigation, including without limitation, preparing claim objections, adversary complaints, dispositive motions, conducting discovery, and preparing for and conducting hearings and trials; and

c. perform all other necessary legal services in connection with the prosecution of the Bankruptcy Litigation.

23. The Debtors understand that MLG hereafter intends to apply to the Court for allowances of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, including, but not limited to Sections 330 and 331, the Bankruptcy Rules, the Local Rules, and the Guidelines for Professional Compensation established by the Office of the United States Trustee, and further orders of this Court, including any order approving the Interim Compensation Motion, for all services performed and expenses incurred after the Petition Date. MLG understands that its compensation is subject to prior Court approval.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge and belief.

DATED this 30th day of July, 2015.



DR. KENNETH W. WILES